

# TRANSFORMING ECONOMIES, REALIZING RIGHTS

*Progress of the World's Women: Transforming economies, realizing rights* documents the ways in which current economic and social policies are failing women in rich and poor countries alike, and asks, what would the economy look like if it truly worked for women?

The report brings together human rights and economic policymaking, and provides the key elements for a far reaching new policy agenda that can transform economies and make women's rights a reality.

## FACT SHEET - LATIN AMERICA AND THE CARIBBEAN

### 1/ TRANSFORMING WORK FOR WOMEN'S RIGHTS

*With the right mix of economic and social policies, governments can generate decent jobs for women and ensure that the unpaid care work that goes into sustaining all economies is recognized and supported.*

#### PERSISTENT GENDER GAPS IN LABOUR FORCE PARTICIPATION AND PAY

Between 1990 and 2013, Latin America and the Caribbean saw the largest increase in women's labour force participation rates (LFPR) of all regions – from 40 to 54 per cent, narrowing the gender gap from 42 to 26 percentage points.

The gender pay gap for Latin America and the Caribbean is 19 per cent, compared to 24 per cent globally.

#### TOO OFTEN WOMEN ARE TRAPPED IN LOW PAID, POOR QUALITY WORK

Paid domestic work, which is usually informal and unprotected by labour laws, accounts for 17 per cent of female employment in the region.

#### WOMEN'S DISPROPORTIONATE SHARE OF UNPAID CARE WORK LIMITS THEIR OPPORTUNITIES

In all countries with available time use data in the region, women spend between two and five times as much time on unpaid care and domestic work than men, limiting their opportunities with regards to education, employment, rest, leisure and political participation. Mexico has measured the economic value of this work which represents 20% of GDP.

The presence of young children in the household along with being married are associated with lower employment rates for women but higher rates for men. In Mexico, 46 per cent of women aged 25–34 in households with young children were in the labour force in 2010 compared to 55 per cent of women in households without children. The figures for men were 99 per cent and 96 per cent, respectively.

#### POLICIES TO TRANSFORM LABOUR MARKETS

Laws are also an important basis for women's right to work and at work. Since 2014, Argentina, Brazil, Ecuador and Uruguay have laws in place for equal remuneration for work of equal value, non-discrimination based on gender in hiring and banning sexual harassment in employment.

In Brazil, between 2001 and 2009, 17 million new jobs were created, of which more than 10 million were those

where employees hold social security cards (*Carteira de Trabalho*). Women's LFPR rose from 54 to 58 per cent between 2001 and 2009, and the proportion accessing jobs with social security cards increased from 30 to 35 per cent. Between 1995 and 2007, the gender pay gap declined from 38 to 29 per cent.

### Recognizing, reducing and redistributing women's unpaid care and domestic work

Governments can take a range of measures to recognize, reduce and redistribute unpaid care and domestic work including investments in basic social services, infrastructure, childcare services (see below) and other family-friendly policies.

Latin American countries have made considerable progress in complying with the ILO standard of 14 weeks paid maternity leave: 8 out of 32 countries with data (25 per cent) in the region offer this recommended minimum.

The extension of paternity or shared parental leave, in turn, has been very limited, with most countries offering only a few days of leave, often unpaid.

### Narrowing gender pay gaps and addressing occupational segregation

Minimum wages reduce the risk of women being in low paid work and narrow the gender pay gap, especially where they cover informal employment, as is the case in Brazil, Costa Rica, Mexico and Peru.

In Peru, the *ProJoven* programme aims to equip women with skills for traditionally male occupations. After 18 months, female participants were 15 per cent more likely to be employed and they generated 93 per cent more labour income compared to non-participants of similar backgrounds. Levels of occupational segregation were also lower among participants.

Targets and quotas have been used for corporate boards in Brazil; and Colombia has used quotas to increase women's representation in decision-making positions in the public sector.

### Guaranteeing domestic workers' rights

The ILO Domestic Workers Convention (No. 189) was adopted in 2011. The convention requires States to extend basic labour rights to domestic workers, such as overtime pay, annual paid leave, minimum wages and safe working conditions. Eight of the 17 countries that have ratified the ILO Domestic Workers Convention (No. 189) are in Latin America and the Caribbean: Argentina, Plurinational State of Bolivia, Colombia, Costa Rica, Ecuador, Nicaragua, Paraguay and Uruguay.

Chile and Trinidad and Tobago are among the countries that have recently extended national

minimum wages to domestic workers who are often informally employed.

Globally, 36 per cent of domestic workers are not covered by maternity protection. However, in Brazil, domestic workers gained the right to maternity leave in 1991.

### Recognize the contribution of informal workers, including formalization

Policies should recognize the contribution of informal workers, such as street vendors and waste pickers, to the functioning of urban environments. In 2013, waste pickers in the Colombian capital Bogota were recognized as public service providers and provided with formal contracts, with fixed rates for the materials they collect.

Joint titling programmes and reform of marital property regimes can increase women's control over land. In Ecuador, where children of both sexes inherit land and a 'partial community' of property prevails (whereby all property, except for inheritances, acquired by either spouse during the marriage belongs to both of them jointly), women constitute the majority of landowners at 52 per cent.

## 2/ MAKING SOCIAL POLICY WORK FOR WOMEN

*Well-designed social policies can enhance women's income security, and their ability to realize their potential and expand their life options. Social protection policies—including family and child allowances and old-age pensions—can be powerful tools to address women's poverty and reduce inequality. Social services, such as health care, child- and elder-care, and water and sanitation can have an even greater effect, as well as reducing the drudgery of unpaid care and domestic work.*

### WOMEN'S GREATER VULNERABILITY TO POVERTY IN CHANGING SOCIETIES

Women are particularly vulnerable to economic insecurity and financial dependence. Across the region, women are less likely than men to have access to personal earnings. While 13 per cent of men had no access to personal earnings in 2013 compared to 29 per cent of women.

Shifting demographic, family and household structures also have implications for income security and care provision: In Latin America, the prevalence of single-parent households increased and most of these are

headed by women. In Central America, a particularly high share of children lives with only one or neither of their parents.

## WOMEN HAVE LESS ACCESS TO SOCIAL PROTECTION

Currently, 73 per cent of the world's population have only partial or no social protection. Women are over-represented in this group.

In most countries, women are less likely than men to receive a pension in old age. In a number of countries in Latin America and the Caribbean, including the Dominican Republic and El Salvador, women's pension coverage is less than half of the already low coverage of men. In Saint Kitts and Nevis, 39.7 per cent of elderly women are recipients of an old-age pension, compared with 51.6 per cent of elderly men. In Saint Lucia, these figures are just 8.3 per cent for women and 10.3 per cent for men.

In Belize, Costa Rica and Panama, between a quarter and a third of women, compared with over half of men, make contributions to a pension scheme. The gender gap is 14.6 per cent in Uruguay, 13.8 per cent in Mexico, and 10.6 per cent in Brazil. In Chile, almost half of men, compared with a third of women, contribute to the country's individual capital account system and women who contribute can expect to receive a pension that is only about a third of men's.

## SOCIAL TRANSFERS ARE ESSENTIAL FOR REALIZING WOMEN'S RIGHTS

Social transfers such as pensions and family allowances can reduce women's poverty. In Guatemala, women's poverty rates are 4.2 percentage points higher than men's before transfers but almost 1 percentage point lower after transfers. In Mexico, single mothers and their children would be nearly twice as likely to live in poverty without public social transfers.

Conditional cash transfer programmes aimed at families with children now operate virtually everywhere in Latin America. Though benefit levels are often limited, they have also been shown to play a part in poverty reduction. Brazil's *Chapéu de Palha Mulher* programme shows how these programmes can be designed to support women's economic empowerment head-on.

The Plurinational State of Bolivia has achieved universal pension coverage for both women and men after the introduction of *Renta Dignidad*, a universal non-contributory pension in 2007. Chile has extended the reach of non-contributory pensions to 60 per cent of low-income households. Over 70 per cent of the beneficiaries of non-contributory pension benefits are women.

## ACCESSIBLE AND AFFORDABLE SOCIAL SERVICES ARE JUST AS IMPORTANT

Accessible, affordable, gender-responsive social services reduce poverty and inequality. In Brazil and Mexico, education and health services contribute twice as much to reducing income inequality as taxes and social transfers combined.

### Access barriers to social services remain large

In 2012, the regional average public health expenditure was 3.9 per cent of GDP in 2012, compared with a global average of 6.5 per cent.

Low levels of spending on health translate into serious shortcomings in service delivery: there are 1.9 per 1,000 physicians on average in Latin America and the Caribbean, and 3.8 midwives/nurses per 1,000 people.

27 per cent of women in Haiti say that they do not have the final decision on their own health care. In the Plurinational State of Bolivia and Peru, half or more of women report difficulties in accessing health care, citing concerns over the availability of a female health provider. 67 per cent of rural women in Peru report problems accessing health care because health care facilities are too far away.

High out of pocket payments (OPP) for health care are a barrier to women's access. Average out-of-pocket health expenditure in 2012 was 31.1 per cent of total health expenditure (compared to 22.2 per cent globally). Women's OPPs have been found to be systematically higher than men's in Brazil, the Dominican Republic, Ecuador, Paraguay and Peru.

### Health care

Health-care providers have a critical role to play in detecting abuse and in caring for women who experience violence. In the Dominican Republic, *Profamilia*, an affiliate of the International Planned Parenthood Federation, developed a comprehensive model for addressing this issue within its network of clinics through staff training, standardization of screening processes and psychological and legal counseling. Internal evaluations show that the programme changed the perception of service providers towards domestic violence, leading to a dramatic drop in the tendency to blame the victim.

### Care services

Latin America and the Caribbean has seen significant progress in the expansion of Early Childhood Education and Care (ECEC) services. Pre-primary enrolment for children jumped by 21 percentage points between 1999 and 2012. However, average coverage for under-3s remains at very low levels (between 3 and 24%) and inequalities are significant. In Nicaragua, for example, only 43 per cent of children from the lowest wealth quintile attend preschool, compared to 74 per cent of children from the highest wealth quintile.

Argentina, Brazil, Chile, Mexico and Uruguay have all extended coverage through significant investments in service provision both at the preschool (3–6 years) and day-care (0–3 years) levels.

Uruguay's innovative National Care System (Sistema Nacional de Cuidados) focuses on care for preschool children, elderly people and people with disabilities. It is explicitly framed around gender equality and the human rights of caregivers and care receivers, including measures to improve the working conditions and wages of paid care workers and increasing support for unpaid family caregivers. A more equal sharing of care responsibilities between women and men is pursued through awareness-raising campaigns and incentives for hiring male care service staff.

### 3/ TOWARDS AN ENABLING MACROECONOMIC ENVIRONMENT

*Macroeconomic policies can and should support the realization of women's rights, by creating dynamic and stable economies, by generating decent work and by mobilizing resources to finance vital public services.*

#### THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND GENDER EQUALITY

Gender gaps in labour force participation are associated with lower growth rates. In Latin America and the Caribbean, gender gaps in the labour market reduce GDP per capita by 14 percent.

Virtually all economies rely on the unpaid care and domestic work that is largely provided by women. Firms, for example, depend on the human resources that are produced and sustained through such work. The unequal distribution of the costs of care therefore supports economic growth.

To support substantive equality for women, macroeconomic policies need to go beyond a sole focus on GDP growth, to work in conjunction with social policy, with the aim of creating inclusive economies that truly work for women—and indeed all members of society.

#### UNPAID CARE WORK UNDERPINS ECONOMIC GROWTH AND MUST BE RECOGNIZED AND SUPPORTED

The work involved in caring for people is essential for reproducing the labour force and generates real economic value. Despite the benefits to society, the unpaid care work predominantly performed by women is not incorporated into the calculation of GDP or reflected in other macroeconomic indicators, or taken into account in economic policymaking.

In Mexico, the value of unpaid care work is higher than the economic contribution of key sectors, including manufacturing (20 versus 16 per cent of GDP). Currently, other countries like Colombia, Ecuador, Guatemala and Peru are also measuring this value.

#### MOBILIZING RESOURCES TO FUND SOCIAL POLICIES

Governments need revenue to pay for social policies, and corporations must pay their fair share.

There are various ways of raising resources to fund essential public services: Costa Rica, amongst other countries, has reduced spending on security and redirected resources to fund social protection.

Ecuador freed up significant public resources through debt restructuring. Resources were invested in education, housing assistance programmes for low-income families and the expansion of its cash transfer programme *Bono de Desarrollo Humano*.

The Plurinational State of Bolivia has used revenues generated from natural resource extraction to finance health-care programmes, old-age pensions and income support for vulnerable populations.

Brazil funded its flagship programme, *Bolsa Familia* in 1997 by introducing a tax on financial transactions. Revenues are now raised from other sources, including social security contributions of financial institutions and a tax on credit operations and currency transactions.